

ASSEMBLY BILL

No. 1231

Introduced by Assembly Member Simitian

February 21, 2003

An act to amend Section 1281.85 of the Code of Civil Procedure, relating to arbitration.

LEGISLATIVE COUNSEL'S DIGEST

AB 1231, as introduced, Simitian. Arbitration agreements.

Existing law requires a person serving as a neutral arbitrator pursuant to an arbitration agreement to comply with specified ethics standards for arbitrators adopted by the Judicial Council. Existing law also requires a neutral arbitrator to disclose all matters that could cause a person to doubt the arbitrator's ability to be impartial in arbitration.

This bill would create an exemption from those provisions for real estate licensees assisting in dispute resolution programs administered by nonprofit trade associations or multiple listing services, as defined.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1281.85 of the Code of Civil Procedure
2 is amended to read:
3 1281.85. (a) Beginning July 1, 2002, a person serving as a
4 neutral arbitrator pursuant to an arbitration agreement shall
5 comply with the ethics standards for arbitrators adopted by the
6 Judicial Council pursuant to this section. The Judicial Council
7 shall adopt ethical standards for all neutral arbitrators effective

1 July 1, 2002. These standards shall be consistent with the standards
2 established for arbitrators in the judicial arbitration program and
3 may expand but may not limit the disclosure and disqualification
4 requirements established by this chapter. The standards shall
5 address the disclosure of interests, relationships, or affiliations that
6 may constitute conflicts of interest, including prior service as an
7 arbitrator or other dispute resolution neutral entity,
8 disqualifications, acceptance of gifts, and establishment of future
9 professional relationships.

10 (b) *For purposes of this section and Section 1281.9, “neutral*
11 *arbitrator” does not include a real estate licensee assisting in a*
12 *dispute resolution program that is administered by a nonprofit*
13 *trade association, or multiple listing service, as defined in Section*
14 *1087 of the Civil Code, for disputes between its members.*

15 (c) Subdivision (a) does not apply to an arbitration conducted
16 pursuant to the terms of a public or private sector collective
17 bargaining agreement.

